

Article - State Government

[\[Previous\]](#)[\[Next\]](#)

§9–1A–28.

(a) There is a Purse Dedication Account under the authority of the State Racing Commission.

(b) (1) The Account shall receive money as required under § 9–1A–27 of this subtitle.

(2) Money in the Account shall be invested and reinvested by the Treasurer and interest and earnings shall accrue to the Account.

(3) The Comptroller shall:

(i) account for the Account;

(ii) for fiscal year 2021, transfer \$5,000,000, from the portion of the proceeds in the Account allocated to thoroughbred purses under subsection (c)(1) of this section, to the Racing and Community Development Facilities Fund established under § 10–657.3 of the Economic Development Article;

(iii) for fiscal year 2022 and each fiscal year thereafter, on a properly approved transmittal prepared by the Maryland Stadium Authority, issue a warrant to pay out \$5,000,000, from the portion of the proceeds in the Account allocated to thoroughbred purses under subsection (c)(1) of this section, to the State Lottery Fund established under § 9–120 of this title until any bonds, debt, or other financial instruments issued or made available by the Maryland Stadium Authority for a racing facility under Title 10, Subtitle 6 of the Economic Development Article reach final maturity; and

(iv) on a properly approved transmittal prepared by the State Racing Commission, issue a warrant to pay out money from the Account in the manner provided under this section.

(4) The Account is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(5) Except as provided in paragraph (3)(ii) and (iii) of this subsection, expenditures from the Account shall only be made on a properly approved transmittal prepared by the State Racing Commission as provided under subsection (c) of this section.

(c) Subject to subsections (d) and (e) of this section, the State Racing Commission shall allocate funds in the Account as follows:

- (1) 80% to the thoroughbred industry; and
- (2) 20% to the standardbred industry.

(d) The amount of funds allocated to thoroughbred purses and the Maryland-bred Race Fund shall be allocated as follows:

- (1) 89% to thoroughbred purses at the Pimlico Race Course, Laurel Park, the racecourse in Allegany County, and the racecourse at Timonium; and
- (2) 11% to the Maryland-bred Race Fund.

(e) The amount of funds allocated to standardbred purses and the Standardbred Race Fund shall be allocated as follows:

- (1) 89% to standardbred purses at Rosecroft Raceway, Ocean Downs Race Course, and the racecourse in Allegany County, allocated based on the number of live racing days at each track location; and
- (2) 11% to the Standardbred Race Fund.

(f) From the amount provided to thoroughbred purses, the State Racing Commission shall pay an annual grant of \$100,000 to Fair Hill, as defined under § 11-811 of the Business Regulation Article.

(g) (1) Of the amount provided from the Purse Dedication Account under subsection (e)(1) of this section:

(i) for Ocean Downs Race Course, up to \$1,200,000 each year for calendar years 2018, 2019, 2020, 2021, 2022, 2023, and 2024 may be used to provide financial assistance for operating losses, in accordance with generally accepted accounting principles, to support a minimum of 40 annual live racing days unless the racing licensee is prevented by weather, acts of God, or other circumstances beyond the racing licensee's control; and

(ii) for Rosecroft Raceway, up to \$1,200,000 each year for calendar years 2018, 2019, 2020, 2021, 2022, 2023, and 2024 may be used to provide financial assistance for operating losses, in accordance with generally accepted accounting principles, to support a minimum of 40 annual live racing days unless the

racing licensee is prevented by weather, acts of God, or other circumstances beyond the racing licensee's control.

(2) Funds received by Ocean Downs Race Course or Rosecroft Raceway under paragraph (1) of this subsection may not be used to contribute to a campaign finance entity under Title 13 of the Election Law Article or make an independent expenditure as defined in § 1-101 of the Election Law Article.

(h) (1) To obtain operating assistance under this section:

(i) a holder of a racing license to race at Ocean Downs Race Course or Rosecroft Raceway may apply to the Secretary of Labor for the reimbursement of expenditures made by the racing licensee to conduct the annual live racing schedule; and

(ii) a holder of a racing license to race at Rosecroft Raceway shall:

1. agree to rehire workers employed at the facility prior to the end of live racing on June 27, 2008; and

2. recognize collective bargaining agreements that were in place as of June 1, 2008.

(2) (i) On the completion of the review of the application by a certified public accountant, the Secretary may authorize the reimbursement of expenditures by the racing licensee that are necessary to conduct the annual live racing schedule.

(ii) Expenditures eligible for reimbursement under subparagraph (i) of this paragraph shall include the ordinary and reasonable costs of conducting the race meetings, pari-mutuel wagering, and stabling activities of the racing licensee, net of ordinary income and receipts.

(iii) The reimbursement calculation under subparagraph (ii) of this paragraph may not include:

1. extraordinary income and expense-related items, including extraordinary litigation expenses;

2. lobbying fees;

3. capital investments, including predevelopment costs; or

4. prior year adjustments and claims.

(3) All costs associated with the racing licensee's application shall be paid by the racing licensee.

(4) In support of the racing licensee's application and request for reimbursement submitted under paragraph (1) of this subsection, the racing licensee shall provide to the Secretary:

(i) monthly financial information requested by the Secretary, in a form satisfactory to the Secretary; and

(ii) an annual audited financial statement.

(5) A racing licensee may not receive assistance under this section while the racing licensee is a party to a proceeding challenging the issuance or denial of a video lottery operation license.

(i) The provisions of this section may not be construed to apply to the racecourse in Allegany County until horse racing begins at that racecourse.

(j) On or before December 1, 2014, the State Racing Commission shall:

(1) conduct a study to determine the impact of the Purse Dedication Account on the racing industry in the State; and

(2) make recommendations to the General Assembly regarding the continuation of the Purse Dedication Account and the amount of money distributed to the Purse Dedication Account.

[\[Previous\]](#)[\[Next\]](#)